

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 1112 – SB 1568

April 11, 2011

SUMMARY OF BILL: Eliminates any moratorium on licensing hunting preserves. Adds white-tailed deer as an approved species for hunting at private preserves. Authorizes a licensed farmed white-tailed deer facility as a contiguous part of a permitted preserve. Creates standards for licensing of farmed white-tailed deer facilities. Prohibits importation of any farmed white-tailed deer originating in any place where chronic wasting disease exists in free-ranging native herds. Requires the Department of Agriculture (TDOA) to promulgate rules and regulations. Creates a Class A misdemeanor for violating the provisions of the Act. Creates a Class D felony, with a minimum fine of \$5,000, for the wrongful injuring of a farmed white-tailed deer by a person other than the owner, operator, or treating veterinarian. Creates a civil cause of action with potential treble damages. Creates inspection standards for facilities.

ESTIMATED FISCAL IMPACT:

On March 13, 2011, a corrected fiscal note was issued estimating a fiscal impact as follows:

*Increase State Revenue - \$267,700/FY11-12/General Fund
\$460,400/FY12-13 and Subsequent Years/General Fund*

*Increase State Expenditures - \$197,700/FY11-12/Wildlife Fund
\$182,500/FY12-13 and Subsequent Years/Wildlife Fund
\$61,200/FY11-12/General Fund
\$59,000/FY12-13 and Subsequent Years/General Fund
\$43,600/Incarceration**

*Increase Local Revenue – \$64,800/FY11-12
\$129,600/FY12-13*

Increase Local Expenditures – Not Significant

Due to an oversight, revenue should have been allocated to both the General Fund and the Wildlife Fund. Based upon new information and further review, the estimated impact is:

Increase State Revenue - \$252,700/FY11-12/General Fund
\$430,400/FY12-13 and Subsequent Years/General Fund
\$15,000/FY11-12/Wildlife Fund
\$30,000/FY12-13 and Subsequent Years/Wildlife Fund

Increase State Expenditures - \$197,700/FY11-12/Wildlife Fund
\$182,500/FY12-13 and Subsequent Years/Wildlife Fund
\$61,200/FY11-12/General Fund
\$59,000/FY12-13/General Fund
\$43,600/Incarceration*

Increase Local Revenue – \$64,800/FY11-12
\$129,600/FY12-13

Increase Local Expenditures – Not Significant

Assumptions:

- The Tennessee Wildlife Resources Agency (TWRA) will hire two additional officers at a recurring increase in state expenditures of \$127,626 (\$91,162 salaries + \$36,464 benefits). One-time state expenditures for these two positions will be \$22,200 (\$16,200 vehicles + \$6,000 uniforms).
- TWRA will purchase eight remote surveillance systems costing \$1,000 each and 2 sets of investigative equipment (cameras, computer, thermal imagers, etc.) costing \$3,750 each for a total one-time increase in state expenditures of \$15,500 [(\$1,000 x 8 surveillance systems) + (\$3,750 x 2 equipment sets)].
- According to TWRA, 20 deer preserves are currently licensed in Tennessee. Additionally, there are six private, fenced non-commercial parcels and 46 captive deer facilities that TWRA anticipates will become licensed in FY11-12. TWRA anticipates that another 50 preserves will become licensed in FY12-13.
- According to the Department of Revenue, in FY10-11, state and local sales tax revenue derived from hunting preserves were \$100,000 and \$35,000 for state and local governments respectively. This revenue was generated from 27 hunting preserves. The average state and local sales tax revenue generated from each preserve is estimated to be \$3,704 and \$1,296 for state and local governments respectively.
- The estimated increase in state revenue is \$185,200 (50 new preserves x \$3,704 state sales tax) in FY11-12, and \$370,400 [(50 new preserves in FY11-12 + 50 new preserves in FY12-13) x \$3,704] in FY12-13 and subsequent years. The estimated increase in local revenue is \$64,800 (50 new preserves x \$1,296 local sales tax) in FY11-12, and \$129,600 [(50 new preserves in FY11-12 + 50 new preserves in FY12-13) x \$1,296 local sales tax] in FY12-13 and subsequent years.
- TWRA will charge each facility an annual \$300 license fee. The increase in state revenue will be \$15,000 (\$300 license fee x 50 new preserves) for FY11-12. The recurring increase in state revenue will be \$30,000 (\$300 license fee x 100 new preserves) in FY12-13 and subsequent years.

- According to TWRA, approximately 30 deer will be harvested from each preserve. All harvested deer must be tested for disease at a cost of \$15 per test. The increase in state expenditures will be \$32,400 (\$15 test cost x 72 preserves x 30 deer) in FY11-12. The recurring increase in state expenditures is \$54,900 (\$15 per test x 122 preserves x 30 deer) in FY12-13 and subsequent years.
- The Department of Agriculture (TDOA) will create the position of and hire one animal health technician, which will be employed for 75 percent of FY11-12, resulting in a one-time increase in state expenditures of \$26,693 [(\$26,364 salary + \$9,227 benefits) x 75%]. The recurring increase in state expenditures is \$35,591 (\$26,364 salary + \$9,227 benefits) in FY12-13 and subsequent years.
- TDOA will have communications and professional services costs resulting in a recurring increase in state expenditures of \$1,800 (\$550 communications + \$1,250 professional services). The Department will purchase a laptop and printer for a one-time increase in state expenditures of \$2,500.
- TDOA will purchase three four-wheel vehicles costing \$5,000 each and three trailers costing \$850 each for a one-time increase in state expenditures of \$17,550 (\$5,000 x 3 vehicles) + (\$850 x 3 trailers).
- TDOA estimates that employees will travel 27,450 miles in FY11-12 and 47,070 miles in FY12-13 and subsequent years for the purpose of conducting inspections and collecting test samples. Mileage is reimbursed at \$0.46 per mile in accordance with the State Comprehensive Travel Guidelines, resulting in a one-time increase in state expenditures of \$12,627 (27,450 miles x \$0.46 per mile). The recurring increase in state expenditures is \$21,652 (47,070 miles x \$0.46 per mile) in FY12-13 and subsequent years.
- TDOA anticipates licensing 15 deer farms at a fee of \$4,500 per permit in FY11-12, resulting in a one-time increase in state revenue of \$67,500 (\$4,500 x 15 farms). The Department anticipates licensing 50 deer farms in FY12-13, and will reduce the license fee to \$1,200 for a recurring increase in state revenue of \$60,000 (\$1,200 x 50 farms).
- The Department of Correction (DOC) assumes one additional admission each year for the Class D felony of knowingly and wrongfully injuring any farmed white-tailed deer on the premises of a licensed, white-tail deer facility.
- According to the U. S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant increase in incarceration as a result of population growth. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender.
- According to DOC, the average operating cost per offender per day for calendar year 2011 is \$60.62. The average post-conviction time served for a Class D felony is 1.97 years (719.54 days) at a cost of \$43,618.51 (\$60.62 x 719.54 days).
- Based on the Fiscal Review Committee's 2008 study of incarceration costs and fines, collection of fines for felony offenders is negligible. There will not be a significant increase in state revenue as a result.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White, Jr.", with a stylized flourish at the end.

James W. White, Executive Director

/sbh